

**Waste Management Enterprise
Fund of the Public Works and Waste
Management Department
of Miami-Dade County, Florida**

Agreed-Upon Procedures on
Full Cost Disclosure Report
September 30, 2013



Independent Accountants' Report on Applying Agreed-Upon Procedures

The Florida Department of Environmental Protection and
Management of Miami-Dade County and
the Waste Management Enterprise Fund of the Public Works
and Waste Management Department

We have performed the procedures enumerated below, which were agreed to by management of the Waste Management Enterprise Fund of the Public Works and Waste Management Department (the Department) of Miami-Dade County, Florida, solely to assist you and the Florida Department of Environmental Protection in evaluating the Department's financial reporting requirements pursuant to Chapter 62-708, *Florida Administrative Code* for the year ended September 30, 2013 as demonstrated in the accompanying *Full Cost Disclosure Reports*. The Department's management is responsible for the *Full Cost Disclosure Reports*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures that we performed and our findings, if any, are summarized as follows (dollars are in thousands). We obtained all financial information and related schedules from the Department's Controller Office. Materiality, for the purpose of this report, has been determined to be \$600 and 0.50%:

1. We compared the total cost from the Full Cost Disclosure Report of \$145,151 (see page 2 of the full cost report attached) to the sum of operating expenses of \$89,729, plus depreciation expense of \$7,893, plus interest expense of \$264, obtained from the Waste Collection System unaudited client prepared Schedule of Revenues, Expenses, and Changes in Fund Net Position (see page 2 of the full cost report attached) for the year ended September 30, 2013, adjusted for the following amounts obtained from client supporting schedules – plus disposal costs of \$47,314 and less amortization of debt related cost of \$51. No exceptions were noted.
2. We recomputed the "cost per unit serviced" on the *Full Cost Disclosure Report* (see page 2 of the full cost report attached) by dividing the respective Full Cost amount by the Units Serviced (numbers of households or commercial units, as applicable). No exceptions were noted. We also recomputed the "cost per ton" on the *Full Cost Disclosure Report* (see page 2 of the full cost report attached) by dividing the respective Full Cost amount by the Tons (residential or commercial, as applicable). No material exceptions were noted.
3. We compared the respective amounts in the "Allocation of Support Costs" columns from the *Full Cost Summary With Allocations* report (see Page 3 of the full cost report attached), to the corresponding amounts listed on the *Basis of Allocations for Full Cost Report* (see Page 4 of the full cost report attached) and found them to be in agreement. No exceptions noted.
4. On the *Basis of Allocations for Full Cost Report* (see attachment), we recomputed the allocation amounts and related percentages listed for Garbage, Trash, Interest Expense, Depreciation, and Department wide, by multiplying the respective amounts in each category by their corresponding percentages (see Page 4 of the full cost report attached). No material exceptions were noted.

5. We compared the number of units and annual tons which management obtained from the Department's information systems as reported on the *Workload Measures Report* (see Page 5 of the full cost report attached), to Statistical Tables IVA and V included in the Department's September 30, 2013 audited financial statements, and found them to be in agreement. No exceptions were noted.
6. We inquired of the Department's Controller regarding the basis of allocation for the *Full Cost Disclosure Reports* and were informed that the methodology used is consistent with that of the prior year.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion regarding the amounts and calculations in the *Full Cost Disclosure Reports* of the Department. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Florida Department of Environmental Protection and management of the Miami-Dade County Public Works and Waste Management Department, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Miami, Florida
March 31, 2014



WASTE MANAGEMENT ENTERPRISE FUND
AN ENTERPRISE FUND OF PUBLIC WORKS AND WASTE MANAGEMENT DEPARTMENT
A DEPARTMENT OF MIAMI-DADE COUNTY, FLORIDA
WASTE COLLECTION SYSTEM
FULL COST DISCLOSURE REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

RESIDENTIAL SERVICES		HOUSEHOLDS SERVED	FULL COST PER HOUSEHOLD
GARBAGE & TRASH CURBSIDE PROGRAM			
	COLLECTION	324,384	\$200
	DISPOSAL	324,384	\$118
TRASH & RECYCLING CENTERS (TRASH)			
	COLLECTION	324,384	\$30
	DISPOSAL	324,384	\$25
	TRC - TRANSPORTATION COST	(1) 324,384	\$17
RECYCLING PROGRAMS			
		354,080	\$29
ILLEGAL DUMPING/ENFORCEMENT			
	(2)	324,384	\$15
LITTER CONTROL			
	(3)	324,384	\$4
RESIDENTIAL COST FOR COMBINED SERVICE AREA			
	COLLECTION		\$230
	DISPOSAL		\$143
	TRC - TRANSPORTATION COST		\$17
	RECYCLING		\$29
	ILLEGAL DUMPING/ENFORCEMENT		\$15
	LITTER CONTROL		\$4
	TOTAL		\$438

COMMERCIAL SERVICES		TOTAL TONS	FULL COST PER TON
GARBAGE & TRASH COLLECTION PROGRAM			
	GARBAGE COLLECTION	7,561	\$133
	GARBAGE DISPOSAL	7,561	\$68
	TRASH COLLECTION	4,223	\$85
	TRASH DISPOSAL	4,223	\$71
	TOTAL		\$357

NO OTHER PROGRAMS (3)/(4)

THE AVERAGE WASTE DISPOSED OF ON A PER HOUSEHOLD BASIS WAS DETERMINED TO BE 2.19 TONS.

- (1) SINCE FISCAL YEAR 2010, THESE COSTS RESIDE IN THE COLLECTION FUND
- (2) THIS PRESENTATION REFLECTS ILLEGAL DUMPING/ENFORCEMENT COSTS (AFTER ALLOCATION OF INDIRECT COSTS) ALL RESIDING IN THE COLLECTION FUND.
- (3) SPECIFIC USER FEES TO COVER THE LITTER PROGRAM HAD NOT RESUMED AS OF FISCAL YEAR 2013. THEREFORE, THE DEPARTMENT DEEMS APPROPRIATE TO ALLOCATE THESE COSTS TO THE HOUSEHOLDS.

Waste Management Enterprise Fund
An Enterprise Fund of Public Works and Waste Management Department
A Department of Miami-Dade County, Florida
Waste Collection System
Full Cost Disclosure Report
09/30/2013

	Full Cost (Final)	Units Serviced (# households or commercial units as applicable)	Cost Per Unit Serviced*	Tons (Residential or Commercial as applicable)	Cost per Ton*
GARBAGE AND TRASH CURBSIDE PROGRAM					
GARBAGE COLLECTION	\$51,642,576	324,384	\$159	653,547	\$79
TRASH COLLECTION	\$13,349,478	324,384	\$41	653,547	\$20
COLLECTION TOTAL	\$64,992,054		\$200		\$99
GARBAGE DISPOSAL					
TRASH DISPOSAL	\$32,165,349	324,384	\$99	653,547	\$49
	\$6,217,389	324,384	\$19	653,547	\$10
DISPOSAL TOTAL	\$38,382,738		\$118		\$59
TRASH AND RECYCLING CENTERS (TRASH)					
COLLECTION	\$15,144,934	324,384	\$47 (1)	653,547	\$23
DISPOSAL	\$7,957,280	324,384	\$25	653,547	\$12
RECYCLING PROGRAMS					
	\$10,411,390	354,080	\$29	62,641	\$166
RESIDENTIAL COSTS FOR COMBINED SERVICE AREA					
COLLECTION	\$80,136,988	324,384	\$247 (2)	653,547	\$123
DISPOSAL	\$46,340,018	324,384	\$143	653,547	\$71
RECYCLING	\$10,411,390	354,080	\$29	62,641	\$166
TOTAL	\$136,888,396		\$419		\$360
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM					
GARBAGE COLLECTION	\$1,001,987			7,561	\$133
GARBAGE DISPOSAL	\$513,984			7,561	\$68
TRASH COLLECTION	\$357,572			4,223	\$85
TRASH DISPOSAL	\$301,239			4,223	\$71
COMMERCIAL TOTAL	\$2,174,781				\$357
OTHER PROGRAMS					
ILLEGAL DUMPING/ENFORCEMENT	\$4,749,735	324,384	\$15		
LITTER CONTROL	\$1,338,023	324,384	\$4		
OTHER PROGRAMS TOTAL	\$6,087,758				
TOTAL COSTS	\$145,150,935	Total	\$438		

Footnotes:
(1) Trash and Recycling Centers (Trash) Cost per unit serviced of \$47 is split as follows in the Full Cost Disclosure Report (P1):

Collection	\$30
TRC Transp. Cost	\$17
	<u>\$47</u>

(2) Herein includes \$18 in transportation cost (see 1 above)

*The Cost Per Unit Serviced and Cost Per Ton figures presented herein are rounded.

Waste Management Enterprise Fund
An Enterprise Fund of Public Works and Waste Management Department
A Department of Miami-Dade County, Florida
Waste Collection System
Full Cost Summary With Allocations
09/30/2013

Allocation of Support Costs

	Preliminary	Garbage Allocation	Trash Allocation	Interest Allocation	Depreciation Allocation	Dptwide Allocation	Final
GARBAGE AND TRASH CURBSIDE PROGRAM							
GARBAGE COLLECTION	\$38,201,462	\$652,244	\$0	\$132,180	\$4,886,388	\$7,770,302	\$51,642,576
GARBAGE DISPOSAL	\$32,165,349	\$0	\$0	\$0	\$0	\$0	\$32,165,349
TRASH COLLECTION	\$9,439,708	\$0	\$831,314	\$36,462	\$1,347,902	\$1,994,092	\$13,349,478
TRASH DISPOSAL	\$6,217,389	\$0	\$0	\$0	\$0	\$0	\$6,217,389
TRASH AND RECYCLING CENTERS (TRASH)							
COLLECTION	\$10,709,315 (a)	\$0	\$602,773	\$41,365	\$1,528,190	\$2,262,290	\$15,144,934
DISPOSAL	\$7,957,280	\$0	\$0	\$0	\$0	\$0	\$7,957,280
RECYCLING PROGRAMS							
	\$8,676,240	\$0	\$0	\$0	\$0	\$1,735,150	\$10,411,390
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM							
GARBAGE COLLECTION	\$742,801	\$10,876	\$0	\$2,570	\$95,012	\$150,727	\$1,001,987
GARBAGE DISPOSAL	\$513,984	\$0	\$0	\$0	\$0	\$0	\$513,984
TRASH COLLECTION	\$243,086	\$0	\$25,185	\$939	\$34,710	\$53,651	\$357,572
TRASH DISPOSAL	\$301,239	\$0	\$0	\$0	\$0	\$0	\$301,239
OTHER PROGRAMS							
ILLEGAL DUMPING/ENFORCEMENT	\$3,958,150	\$0	\$0	\$0	\$0	\$791,585	\$4,749,735
LITTER CONTROL	\$1,055,615	\$0	\$59,415	\$0	\$0	\$222,993	\$1,338,023
TOTAL DIRECT COSTS	\$120,181,618	\$663,120	\$1,218,687	\$213,516	\$7,893,203	\$14,980,791	\$145,150,935
ADMINISTRATIVE SUPPORT							
DEPTWIDE COSTS TO BE ALLOCATED	\$14,980,791	\$0	\$0	\$0	\$0	(\$14,980,791)	\$0
INTEREST COSTS TO BE ALLOCATED	\$213,516	\$0	\$0	(\$213,516)	\$0	\$0	\$0
DEPRECIATION TO BE ALLOCATED	\$7,893,203	\$0	\$0	\$0	(\$7,893,203)	\$0	\$0
GARBAGE ADMIN. DIVISION COSTS	\$663,120	(\$663,120)	\$0	\$0	\$0	\$0	\$0
TRASH ADMIN. DIVISION COSTS	\$1,218,687	\$0	(\$1,218,687)	\$0	\$0	\$0	\$0
CAPITAL COSTS TO BE ELIMINATED	\$12,187,326	\$0	\$0	\$0	\$0	\$0	\$12,187,326
CAPITAL COST Elimination	(\$12,187,326)	\$0	\$0	\$0	\$0	\$0	(\$12,187,326)
TOTAL COSTS	\$145,150,935	\$0	\$0	(\$0)	\$0	(\$0)	\$145,150,935

(a) In fiscal year 2013, includes T&R Transportation Cost.

Waste Management Enterprise Fund
An Enterprise Fund of Public Works and Waste Management Department
A Department of Miami-Dade County, Florida
Waste Collection System
Basis of Allocations for Full Cost Report
09/30/2013

1. Garbage Administration Division Costs: Administrative costs totaling: \$663,120 in the Garbage Division were allocated between residential and commercial garbage collection activities based on relative tonnage as follows:

	Tonnage	%	Allocation
Residential Garbage Collection	453,424	98.36%	\$652,244
Commercial Garbage Collection	7,561	1.64%	\$10,876
Total Garbage	460,985	100.00%	\$663,120

3. Interest Expense that totaled \$213,516 was allocated 63.11% to garbage collection and 36.89% to trash collection based on the relative tonnages. The allocation within garbage and trash was based on the current year relative direct cost.

	Direct Cost	%	Allocation
Residential Garbage Collection	\$38,201,462	98.09%	\$132,180
Commercial Garbage Collection	\$742,801	1.91%	\$2,570
Total Garbage Direct Cost	\$38,944,263	100.00%	\$134,750
	Interest	=	\$134,750
	Direct Cost	%	Allocation
Residential Trash-Curbside/TR Centers	\$20,149,023	98.81%	\$77,827
Commercial Trash Collection	\$243,086	1.19%	\$939
Total Trash Direct Cost	\$20,392,109	100.00%	\$78,766
	Interest	=	\$78,766

4. Depreciation totaling \$7,893,203 was allocated 63.11% to garbage collection and 36.89% to trash collection based on the relative tonnages. The allocation within garbage and trash was based on the current year relative direct cost.

	Direct Cost	%	Allocation
Curbside Garbage Collection	\$38,201,462	98.09%	\$4,886,388
Commercial Garbage Collection	\$742,801	1.91%	\$95,012
Total Garbage Collection Direct Cost	\$38,944,263	100.00%	\$4,981,400
	Depreciation	=	\$4,981,400
	Direct Cost	%	Allocation
Curbside Trash Collection	\$9,439,708	46.29%	\$1,347,902
T&R Center Trash Collection	\$10,709,315	52.52%	\$1,529,190
Commercial Trash Collection	\$243,086	1.19%	\$34,710
Total Trash Collection Direct Cost	\$20,392,109	100.00%	\$2,911,803
	Depreciation	=	\$2,911,803

2. Trash Administration Division Costs: Administrative costs for Trash Division totaling \$1,218,687 were allocated between residential and commercial trash collection activities based on relative tonnage. Within residential, the costs are allocated to Litter, Lot Clearing, Demolition, and Curbside trash based on the relative direct cost of those activities.

	Residential Tons	200,123	97.93%	%
	Commercial Tons	4,223	2.07%	%
Total Tons	204,346	100.00%	100.00%	%

	Direct Cost	Allocation
Commercial Trash Collection	not applicable	\$25,185
Residential Trash-Curbside	9,439,708	\$531,313
Residential Trash-TR Centers	10,709,315	\$602,773
Litter Control	1,055,615	\$59,415
Lot Clearing (excluded-considered enf.)	0	\$0
Demolition	0	\$0
Total Residential Direct Cost	21,204,633	\$1,218,687

5. Deptwide indirect cost totaling \$14,980,791 were allocated to the activities listed below based on the relative direct cost of each activity. For this purpose the direct cost of the garbage and trash divisions includes the allocated costs from the garbage and trash administration units as shown.

	Direct Cost	%	Allocation
Curbside Garbage Collection	\$38,853,706 (1)	51.87%	\$7,770,302
Curbside Trash Collection	\$9,971,022 (1)	13.31%	\$1,994,092
T&R Center Trash Collection	\$11,312,088 (1)	15.10%	\$2,262,290
Recycling Programs	\$8,676,240	11.58%	\$1,735,150
Commercial Garbage Collection	\$753,677 (1)	1.01%	\$150,727
Commercial Trash Collection	\$268,271 (1)	0.36%	\$53,651
Illegal Dumping/Enforcement	\$3,958,150	5.28%	\$791,585
Litter Control	\$1,115,030 (1)	1.49%	\$222,993
Lot Clearing	\$0	0.00%	\$0
Demolition	\$0	0.00%	\$0
Total	\$74,908,184	100.00%	\$14,980,791

(1) After Garbage/Trash Adm. Allocation to Residential and Commercial.

Waste Management Enterprise Fund
 An Enterprise Fund of Public Works and Waste Management Department
 A Department of Miami-Dade County, Florida
 Workload Measures
 09/30/2013

	Units	Tons Garbage	Tons Trash	Tons Total
Residential:				
Household can units	320,567			
Residential dumpster units	3,817			
City of Miami Hud Units	-			
Total Residential	<u>324,384</u> (A)	453,424	200,123 (2)	653,547
Commercial:				
Household/commercial can units	3,084			
Commercial can units	1,043			
City of Miami Hud Units	576			
Commercial rollaway units	30			
Total Commercial	<u>4,733</u> (B)	7,561	4,223 (3)	11,784
Recycling:				
Units in collections service area	324,384 (A)/(C)			
Municipal units	27,891			
Units outside service area	74			
Units inside service area w/o garbage service	1,731			
Total Recycling	<u>354,080</u> (C)	-	62,641 (4)	62,641
Illegal Dumping:		-	2,480 (5)	2,480
Total		460,985 (1)	269,467	730,452

Percentages:

Residential	62.07%	27.40%
Commercial	1.04%	0.58%
Recycling:	0.00%	8.58%
Illegal Dumping:	<u>0.00%</u>	<u>0.34%</u>
Totals	63.11%	36.89%

Waste Collection System

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Position

	For the Fiscal Years Ended September 30,	
	2013	2012
	(In thousands)	
Operating Revenues		
Solid waste collection services	\$ 135,376	\$ 141,983
Other operating revenues	876	734
Total Collection Operating Revenues	136,252	142,717
Operating Expenses		
Garbage collection	39,607	38,963
Trash collection	22,701	22,653
Recycling	8,676	8,585
Litter control	1,010	1,147
Enforcement and environmental compliance	3,539	3,527
General and administrative	14,196	10,109
Total	89,729	84,984
Depreciation	7,893	7,973
Total Collection Operating Expenses	97,622	92,957
Collection Operating Income	38,630	49,760
Non-Operating Revenues (Expenses)		
Interest income	(4)	75
Interest expense	(264)	(482)
Hybrid Truck Grant	1,500	-
Other income (expense), net	313	(1,113)
Total Collection Non-Operating Rev- enues (Expenses), Net	1,545	(1,520)
Change in Net Position Before Elimination	40,175	48,240
Elimination*	(47,315)	(45,638)
Change in Net Position After Elimination	\$ (7,140)	\$ 2,602

*Impact to Net Position by the elimination of tipping fees paid to the Disposal System.

See accompanying independent auditor's report.



The undersigned, a duly authorized representative of Miami-Dade County, Florida,
HEREBY CERTIFIES THAT:

The Miami-Dade County Department of Solid Waste Management Full Cost Disclosure Report, a copy of which is attached for the fiscal year ended September 30, 2013 does not, to the best of my knowledge, contain any untrue statements or calculations nor fails to present any material facts which should be included for the purpose of properly informing the public of the full cost of solid waste management services.

IN WITNESS THEREOF, I have hereunto set my hand and seal this 31st day of March, 2014.

A handwritten signature in blue ink, appearing to read "Edward Marquez", is written over a horizontal line.

Edward Marquez
Finance Director
Miami-Dade County